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## **An Economic Snapshot of the Massachusetts Winery Industry**

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There are some 3,000 wineries in the United States, many of them gaining national attention for their quality and ratings, including those from the Bay State. Massachusetts is one of the rising stars in the wine world. Massachusetts farm wineries offer a wide variety of fine wines steeped in the best of New England traditions, whether you are serving a simple meal or preparing haute cuisine.

### **Massachusetts wineries are increasing in number**

Massachusetts twenty-two wineries are catching the attention of wine lovers everywhere. They are producing grape and fruit wine in the Bay State, almost doubling the number of wineries since 1994. In 1998 there were 15 wineries and 12 in 1994.

### **Winery sales and production in the Bay State are expanding**

Over \$6.53 million in sales was generated in 2004 from these 22 wineries. Total anticipated sales increases are \$750,000 annually through the next five years, totaling \$10.2 million by 2010.

Direct sales to consumers represented approximately 73% of farm winery sales in Massachusetts. About 27% of the sales were wholesale, which are a part of the three-tier system of distribution in Massachusetts.

Sales of wine from Massachusetts wineries have more than doubled since 1994. In 1998, \$3.92 million dollars worth of wine was sold compared with \$2.28 million in 1994.

Today, Bay State wineries hand craft and bottle over 200,000 gallons of wine, more than double the amount in 1994. In 1998, 104,000 gallons of wine were produced and 96,000 gallons in 1994.

### **Massachusetts farm wineries attract tourists**

Bay State farm wineries are an integral component of the tourism industry. Over a million visitors toured and tasted wine from these businesses located across the state.

### **Support for direct shipping**

Many tourists request that wine enjoyed during their visit be shipped to their residence. Bay State wineries estimate that \$900,000 dollars in additional sales could be expected if direct shipment were a marketing option. Many of these rurally based farm wineries depend on direct marketing for economic survival. The ability to direct ship can financially strengthen these small businesses that have made substantial investments in land, vineyards and capital equipment.

The four largest farm-wineries in Massachusetts represented some \$4.6 million in sales, about 70% of the total. Direct shipping would generate over \$320,000 in additional sales for them.

The remaining 18 wineries represented 30% of the total sales with individual winery sales ranging from \$15,000 to \$375,000, with an average of \$109,000. Direct shipping would be expected to increase their sales collectively by a total of some \$576,000.

Massachusetts revenues would increase with direct shipping based on new permit fees for out of state wineries and gains generated through additional excise tax. Massachusetts wineries currently pay a state excise tax, in addition to fees from licenses, permits and meal and sales taxes from special events and items sold in the tasting rooms.

### **Wineries preserve open space**

Massachusetts farm wineries maintain open space and agricultural resources in the Commonwealth. Over 1,862 acres of open space are maintained by the Commonwealth's wineries with over 470 acres devoted exclusively to grape or fruit production to make wine. That compares to 1998, when farm-wineries held 700 acres, and 600 acres in 1994.

### **Massachusetts wineries create jobs**

Massachusetts wineries employ at least 182 individuals, 90 full-time and 92 part-time. In 1998 there were 114 employees.

The first bonded winery in the state; Chicama Vineyards was founded in 1971.

### **Summary Information**

Year	2005	1998	1994	
Number of wineries	22	15	12	
Total Sales (millions)	\$6.53	\$3.92	\$2.28	
Gallons	200,000	104,000	96,000	
Acres	1,862; 470 in grapes/fruit for wine	700	600	
Employees	182	114		

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